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AZ CORP COMMISSION
DOCKET CONT**Liberty Water**
Because water matters every day

Litchfield Park Service Company

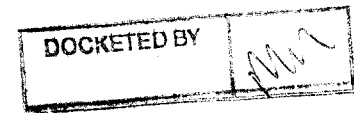
February 3, 2010

Mr. Steven M. Olea, Acting Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

FEB - 4 2010

RE: ANNUAL STATUS REPORT - LPSCO
Decision No. 69912, Docket Number W-01427A-06-0807



Dear Mr. Johnson;

Litchfield Park Service Company (LPSCO) is writing this letter as ordered by the Arizona Corporation Commission per Decision No. 69912 of all matters related to the deferrals, and the cumulative costs associated with monitoring groundwater in relation to the North Phoenix-Goodyear Airport (NPGA) Area Superfund Site.

Background:

As you are aware, LPSCO is greatly concerned of the North Phoenix Goodyear Airport (NPGA) superfund Trichloroethylene ("TCE") groundwater plume contamination migration in relation to the increased proximity to LPSCO's drinking water wells. LPSCO testified on its application dated December 28, 2006, to the ACC the "Due to the movement of the plume, LPSCO's TW1 and TW2 wells are the most likely immediately affected and are being monitored on a weekly basis". Combined with the fact that LPSCO was alerted by the Environmental Protection Agency (EPA) that the full extent of the TCE plume (northeastern part) has not yet been fully defined (see attached Plume Migration Map Figure No. 1), LPSCO immediately began weekly testing starting December 2006 and ended in August 2007, then changed its sampling frequency from monthly in March 2008 back to quarterly sampling starting the month of April, 2008 and ran until December, 2009.

On December 27, 2009, LPSCO was informed by the EPA that TCE contamination was detected in an irrigation well (well 26A of 6.6 ppb of TCE) located in relative close proximity to TW2. As a precaution, LPSCO increased sampling from quarterly to monthly for LPSCO well's TW2 and maintained 34C on a monthly schedule. The ADEQ and EPA immediately called for a re-sampling of the irrigation well which occurred on or about December 30, 2009. The re-sampling results revealed concentrations of 0.88 ppb of TCE which were far lower than previously reported in late December of 6.6 ppb of TCE. However, as a precautionary measure, LPSCO will continue to monitor TW2, TW1 and 34C closely and increase sampling from quarterly to monthly until LPSCO is reasonably convinced that the northeast portion of the plume is contained or there are other monitoring stations installed to serve this purpose. LPSCO continues to attend EPA focused regular technical meetings in regards to the NPGA superfund site.

As previously reported by LPSCO during its 2nd annual status report submitted to the Arizona Corporation Commission (A.C.C.) dated March 11, 2009, significant progress has been made on the plume delineation and treatment of the contaminated ground water in regards to the northeastern portion of the plume. Several new additional monitoring wells (known as Sentinel wells) have been installed between LPSCO drinking water wells and the known edge of the TCE plume. However, over the last year, it has also become evident that the plume is still migrating to the northeast and full plume capture has not yet been achieved to which stakeholders, including LPSCO, expressed concern over the lack of remedial actions to fully capture the contaminant. As a result, an aggressive plan has been proposed in order to rapidly capture the northeastern portion of the plume.

The current proposed remedial capture plan (see attached Figure 2) includes the installation of a newly drilled extraction well known as (EA-07) which will be located in an area of the plume that is best to control the expansion to the plume to the northeast. This extraction well (EA-07) will extract groundwater from the subunit A portion of the aquifer (area of contamination) and then will pump back the water through a series of newly installed distribution return lines to the existing treatment facility known as EA-06 (which was originally designed to be expanded for future treatment). The EA-06 treatment facility will remove the TCE by running the contaminated water through a series of Granular Activated Carbon (GAC) vessels. The treated water (clean water) will then be returned back through a second set of newly added distribution lines and re-injected into two (2) proposed injection wells (known as IA-11 and IA-12). It should be noted that additional injection wells have been proposed and will be plumbed for future, if needed. The treated effluent water will be re-injected back in the aquifer through the two initial injection wells (IA -11 and 12) in which the injected effluent will cause hydraulic mounding, and stop the advancement of the plume to the northeast.

The remedial capture plan is currently under review by both the EPA and ADEQ. The project is entering the engineering and utility conflict review stage. It is anticipated that the project will start construction by no later than 1st quarter, 2010 with the project being completed sometime toward the end of 2010.

To date, LPSCO has spent approximately \$72,291.90 for the calendar year of 2006-2007, \$8,973.15 for the calendar year 2008, and \$12,507.78 for the calendar year 2009. The costs consisted of increased sampling and legal fees (See attached Cost Breakdown Sheet). LPSCO has adjusted its ground water monitoring from quarterly to monthly for TW2 and 34C due to the fact that the plume continues to migrate closer to LPSCO wells. LPSCO continues to sample TW1 on a quarterly basis. LPSCO will continue to monitor on a monthly and quarterly basis as an added form of protection for its drinking water source. To date, there have been no test results indicating quantifiable concentrations of TCE in any of LPSCO's existing wells.

Regards,
Litchfield Park Service Company DBA Liberty Water, Inc.

Matthew E. Garlick, Liberty Water Business Manager

cc: Docket Control

COST BREAK DOWN

Litchfield Park Service Company
TCE Plume – Deferred Costs

July 1, 2006 – December 31, 2007

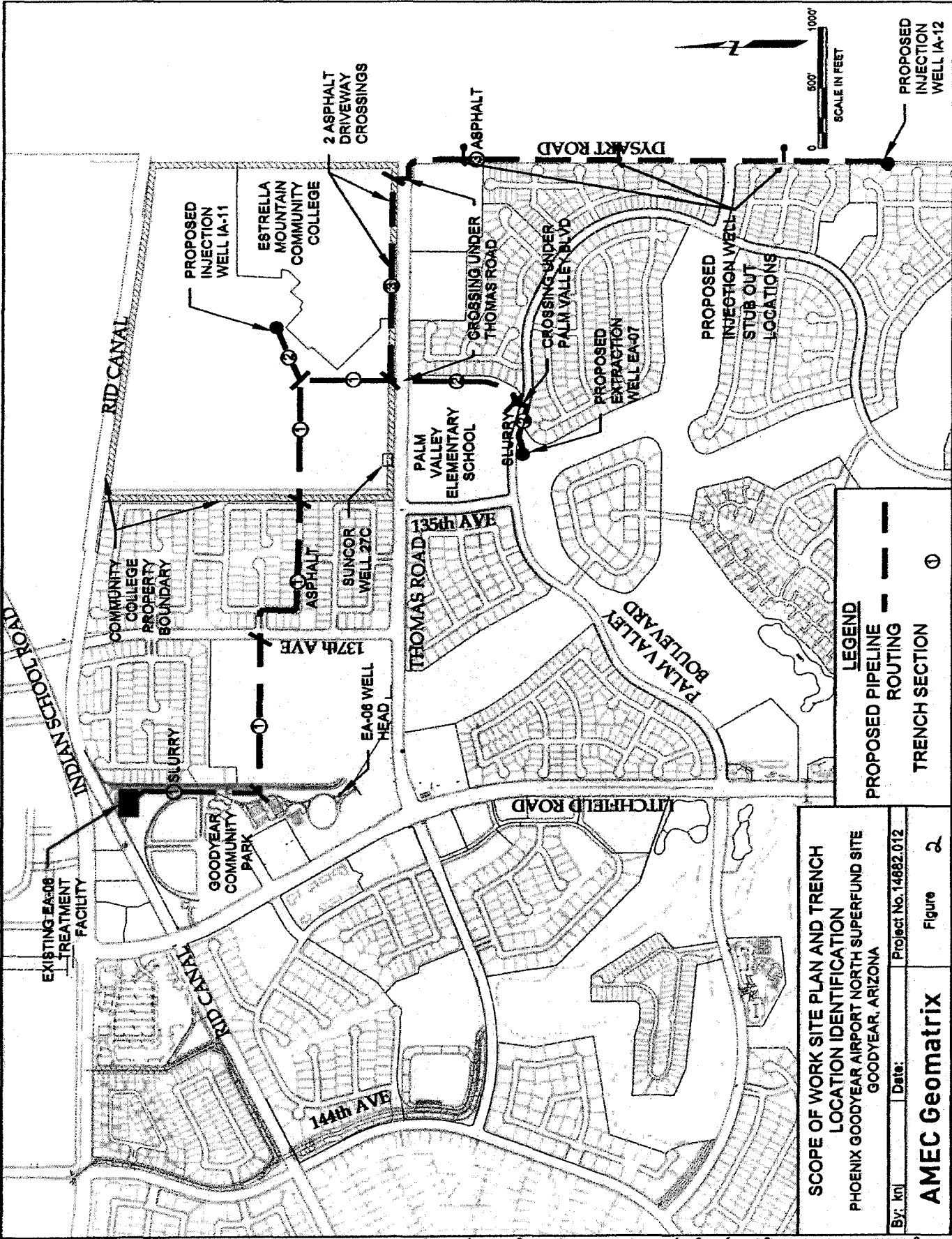
	<u>Amount</u>
Total Legal Costs	\$48,867.20
Total Increased Frequency of Water Sampling/Testing (2006-2007)	\$23,424.70
Total Costs	\$72,291.90

January 1, 2008 – December 31, 2008

	<u>Amount</u>
Total Legal Costs	\$254.15
Total Increased Frequency of Water Sampling/Testing (2008)	\$8,683.00
Total Costs	\$8,973.15

January 1, 2009 – December 31, 2009

	<u>Amount</u>
Total Legal Costs	\$7,253.78
Total Increased Frequency of Water Sampling/Testing (2009)	\$5,254.00
Total Costs	\$12,507.78



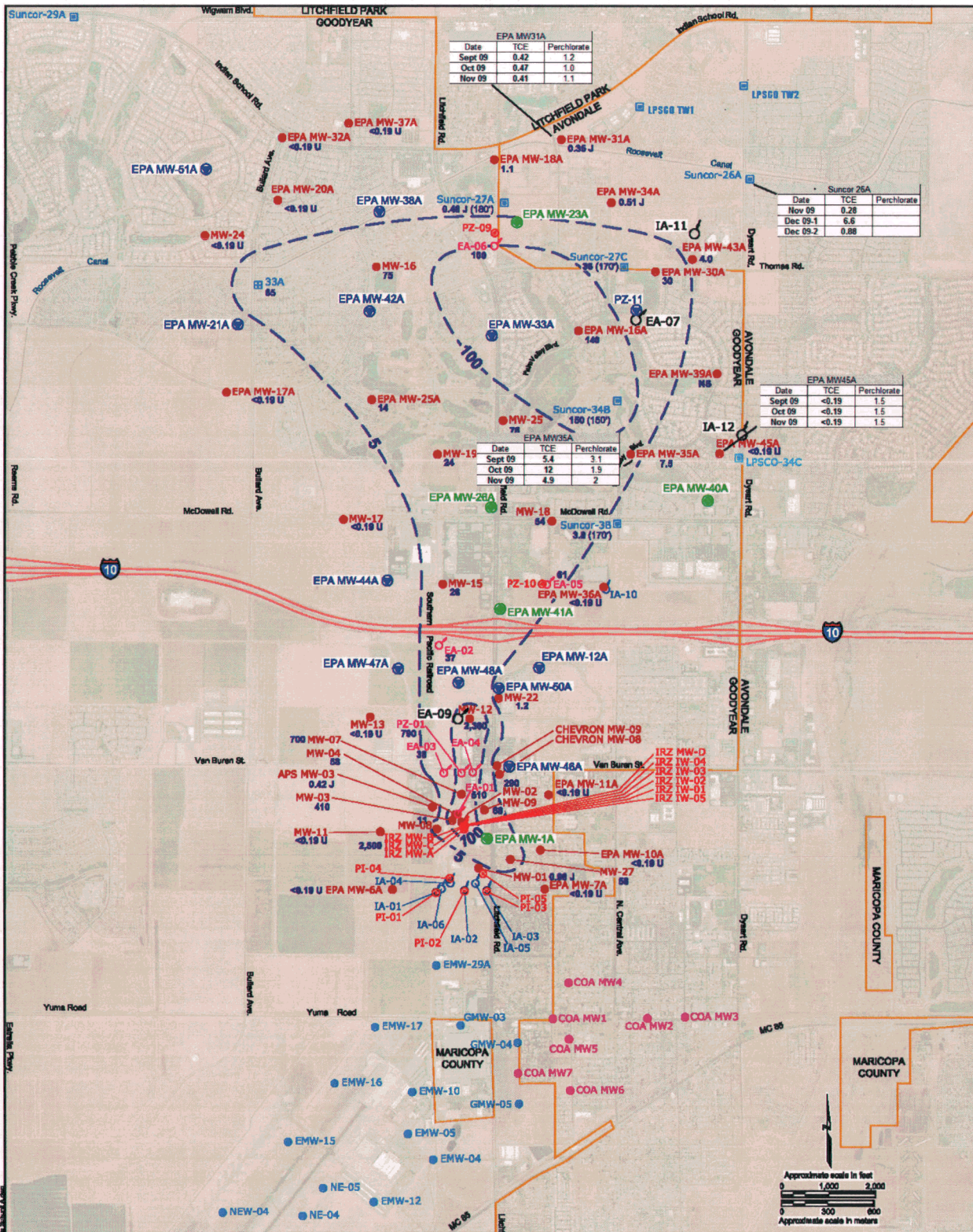
SCOPE OF WORK SITE PLAN AND TRENCH
LOCATION IDENTIFICATION
PHOENIX GOODYEAR AIRPORT NORTH SUPERFUND SITE
GOODYEAR, ARIZONA

By: ktl Date: Project No. 14882.012

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Figure 2

LEGEND
 PROPOSED PIPELINE ---
 ROUTING - - -
 TRENCH SECTION ①



Explanation

- EPA MW-41A ● Remaining Proposed Year 3 Subunit A monitor well
- EPA MW-51A ● Proposed Year 4/5 Subunit A monitor well
- EA-09 ○ Proposed Subunit A extraction well
- IA-12 ○ Proposed Subunit A injection well
- EPA MW-40A ● Subunit A monitor well
- EA-02 ○ Subunit A extraction well
- EMW-29A ● Subunit A monitor well - PGA South site
- COA MW1 ● Subunit A monitor well Western Ave. Plume site
- PI-04 ● Piezometer
- IA-10 ○ Injection well (treated water)
- IRZ IW-01 ○ Injection well (IRZ)
- LPSCO-34C ● Litchfield Park Services Co. production well
- 33A ■ Suncor / UPI treatment system well
- Suncor-3B ■ Palm Valley / Suncor irrigation well
- 2,500 Trichloroethene (TCE) concentration in micrograms per liter (µg/L)
- (170') Depth of discrete analytical result in feet below ground surface
- U The analyte was analyzed for, but was not detected above the reported sample quantitative limit
- J The analyte was positively identified; the associated numerical value is the approximate concentration of the analyte in the sample
- 100 — Isocenter showing TCE concentration in µg/L

Note:

TCE concentrations reported from August 2009 sampling.

DRAFT

PROPOSED REMAINING MONITOR WELLS FOR GROUNDWATER INVESTIGATION SUBUNIT A

Phoenix Goodyear Airport North Superfund Site
Goodyear, Arizona

By: jrw Date: 11/20/09 Project No. 14682.002

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Figure 1